



14 April 2010

Dr John Tamblyn
Australian Energy Market Commission
Level 5
201 Elizabeth Street
Sydney NSW 2000

By electronic submission: www.aemc.gov.au

Dear Dr Tamblyn

ERC0101 - South Australia (SA) Jurisdictional Derogation for Connections Charging

Origin Energy Limited (Origin) welcomes the opportunity to provide comments to the Australian Energy Market Commission (AEMC) on this Rule change proposal from the South Australian Minister for Energy.

Origin considers that extending the current arrangements for SA connection charging provisions covered in this derogation is the least disruptive option for the market. We prefer this approach when compared to applying a new interim charging regime from 1 July 2010 until the National Energy Consumer Framework take effect.

That being said, we note that the current arrangements in SA can be challenging to work with. In our experience, some of the distribution augmentation costs charged can be beyond those reasonably attributable to a new or expanding connection. In one case, the proposed charges included augmentation work to bring elements of the distribution system up to the jurisdictional standard. Origin believes this is not the intent of the provisions in the SA Electricity Distribution Code (EDC).

Origin notes that the proposed NECF for electricity distribution network connection and capital contribution arrangements will hopefully address these issues by providing greater clarity, predictability and certainty once in place.

Despite the challenges with the current arrangements, introducing new charging arrangements for an interim period may give rise to new problems for little short term benefit. We therefore support extending the derogation until the NECF commences.

If you have any question or would like to discuss this submission please call me on (02) 8345 5250 or Hannah Cole on (02) 8345 5500.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Tim O'Grady".

Tim O'Grady
Head of Public Policy
Corporate Affairs